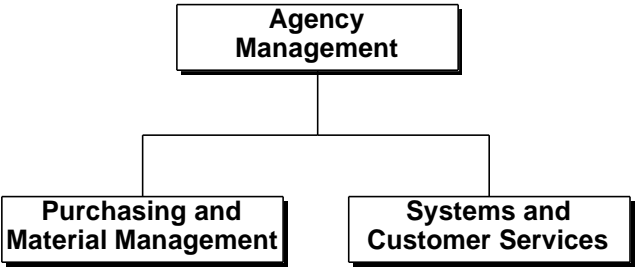


**DEPARTMENT OF PURCHASING  
AND SUPPLY MANAGEMENT**



# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

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## *Agency Position Summary*

59 Regular Positions / 59.0 Regular Staff Years

### ***Position Detail Information***

#### **AGENCY MANAGEMENT**

1 Director  
3 Management Analysts III  
1 Secretary III  
1 Secretary II  
1 Account Clerk II  
5 Clerical Specialists  
1 Clerk Typist II  
1 Administrative Aide  
14 Positions  
14.0 Staff Years

#### **PURCHASING AND MATERIAL MANAGEMENT**

1 Deputy Director  
2 Purchasing Supervisors  
1 Engineer I  
8 Buyers II  
2 Buyers I  
2 Assistant Buyers  
1 Property Management Supervisor  
1 Electronic Equipment Technician II  
1 Warehouse Supervisor  
1 Warehouse Specialist  
1 Material Requirements Specialist  
1 Account Clerk II  
2 Supply Clerks  
8 Warehouse Worker-Divers  
32 Positions  
32.0 Staff Years

#### **SYSTEMS AND CUSTOMER SERVICES**

1 Management Analyst IV  
2 Inventory Management Supervisors  
1 Business Analyst III  
1 Business Analyst II  
1 Business Analyst I  
1 Network Telecommunication Analyst I  
1 Information Technology Technician I  
1 Administrative Assistant  
1 Office Service Manager II  
1 Buyer II  
1 Property Auditor  
1 Management Analyst II  
13 Positions  
13.0 Staff Years

# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

## AGENCY MISSION

*To provide overall centralized material management and policies with decentralized implementation, emphasizing central policy control and selected delegation of tasks where appropriate. This includes purchasing, cataloging and standardization, inventory management, warehousing and distribution, excess and surplus property management, and equipment accountability for the County government and Fairfax County Public Schools, and such ancillary authorities as may be designated. To operate a centralized purchasing function in accordance with the Code of Virginia, the Fairfax County Purchasing Resolution, and generally accepted purchasing practices. To support the Board of Supervisors' Small Business Enterprise (SBE) Program.*

## AGENCY SUMMARY

Category	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	59/ 59	58/ 58	59/ 59	59/ 59	59/ 59
Expenditures:					
Personnel Services	\$2,316,157	\$2,542,298	\$2,411,738	\$2,592,444	\$2,657,256
Operating Expenses	532,706	650,640	764,919	880,002	880,002
Capital Equipment	25,283	0	31,809	0	0
<b>Total Expenditures</b>	<b>\$2,874,146</b>	<b>\$3,192,938</b>	<b>\$3,208,466</b>	<b>\$3,472,446</b>	<b>\$3,537,258</b>
Income:					
Contract Rebates	\$0	\$0	\$45,698	\$61,213	\$61,213
<b>Total Income</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,698</b>	<b>\$61,213</b>	<b>\$61,213</b>
<b>Net Cost to the County</b>	<b>\$2,874,146</b>	<b>\$3,192,938</b>	<b>\$3,162,768</b>	<b>\$3,411,233</b>	<b>\$3,476,045</b>

## SUMMARY BY COST CENTER

Category	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
Agency Management	\$422,629	\$608,932	\$577,856	\$685,383	\$700,138
Purchasing & Material Management	1,808,572	1,743,981	1,829,240	1,675,062	1,709,990
Systems & Customer Services	642,945	840,025	801,370	1,112,001	1,127,130
<b>Total Expenditures</b>	<b>\$2,874,146</b>	<b>\$3,192,938</b>	<b>\$3,208,466</b>	<b>\$3,472,446</b>	<b>\$3,537,258</b>

# **DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT**

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## **Board of Supervisors' Adjustments**

*The following funding adjustments reflect all changes to the FY 2001 Advertised Budget Plan, as approved by the Board of Supervisors on April 24, 2000:*

- The 2.5 percent cost-of-living/market rate adjustment approved by the Board of Supervisors, and previously held in reserve, has been spread to County agencies and funds. This action results in an increase of \$64,812 to the Department of Purchasing and Supply Management.

*The following funding adjustments reflect all approved changes to the FY 2000 Revised Budget Plan from January 1, 2000 through April 17, 2000. Included are all adjustments made as part of the FY 2000 Third Quarter Review:*

- Net savings of \$76,269 primarily in Personnel Services are associated with the Close Management Initiatives program. These savings are now available for reinvestment in other County initiatives.
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## **County Executive Proposed FY 2001 Advertised Budget Plan**



### **Agency Overview**

In FY 2001, the Department of Purchasing and Supply Management (DPSM) will continue to pursue customer service improvements, focusing on responsiveness, cooperation, and communication, with the intent of providing a best-in-class procurement program. The DPSM recognizes that the procurement profession is shifting from a model based on transactional relationships to a new and different model in which partnerships are developed. Partnerships between the procurement office and the end user, working creatively to support the agency's mission and business; and partnerships between the County and the business (profit and non-profit) community. These business partnerships will leverage the innovation and autonomy of the contractor to engage in problem solving, seeking to measure results rather than process. One of the critical success factors in changing the procurement model is recognizing that government must adapt to the market rather than the market adapting to government in order to expand the universe of potential contractors, thus ensuring full and fair competition.

The DPSM will seek to institutionalize these changes through the continued emphasis on professional certification and staff development. The DPSM will continue to maintain 100 percent certification for all professional procurement staff and will provide opportunities for other DPSM employees to build skills which will enable them to move upward within the organization. An informal, non-monetary recognition program will reward employee achievements in the areas of training and performance.

To build the end user partnerships, the DPSM will strengthen its Procurement Assistance and Compliance Program in FY 2001. Emphasis will be placed on more assistance visits and institutionalizing functional procurement training designed to complement the technical training currently provided. The functional procurement training will focus on procurement laws, regulations, and processes. Training and acceptance of professional procurement standards will ensure the standardization and conformance essential to the successful decentralization of procurement responsibilities.

In FY 2001, the DPSM will continue to build upon the achievements in efficiency we have recognized through the use of technology in the procurement process. The DPSM Home Page on the Internet has made communication with the business community more efficient and effective. Current solicitations are posted on the DPSM Home Page enabling 24 hour per day, 365 day per year access for viewing and downloading these documents. This increased availability of solicitations has expanded the audience of potential vendors while decreasing printing and mailing costs. The vendor application form for the County's Procurement Opportunities List will be made available on the DPSM Home Page in

# **DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT**

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FY 2001, providing the business community with an immediate and convenient means of registering, querying, and/or updating their business profile in the County's Procurement Opportunities List database.

The DPSM will continue to interactively use Electronic Data Interchange (EDI) and the Internet for the transmission of various documents such as Notices and Solicitations to vendors via their E-mail address. EDI is a "paperless" technology whereby information is communicated via computer or fax instead of through the mail in a written format. EDI enables customers to enter orders directly into a customer order entry system resulting in timesavings, decreases in data entry errors, and reductions in paper usage. EDI is expected to not only further reduce the costs of printing and mailing purchasing documents, but also make just-in-time inventory management practices easier to achieve, reduce the time to receive orders, and reduce the cost of goods.

The procurement card program will continue to be marketed and encouraged as a means of obtaining low-value items, supplies from County contracts, and travel services, while eliminating reliance on paper transmission of purchasing information. It provides customer agencies with an easy-to-use system to acquire goods and takes advantage of the significant cost savings of using the procurement card in lieu of a purchase order, while maintaining a balance of management controls. The most recent cost-benefit analysis indicated that the cost to process a procurement card purchase is approximately half the cost to process a small purchase order. The procurement card is an inexpensive method to obtain low-cost items due, in part, to the low cost of electronic transactions using the procurement card.

In order to further maximize efficiency, the DPSM will continue to participate in the Washington Metropolitan Council of Governments (COG) and the National Association of Counties (NACo) cooperative purchasing programs. Both initiatives have produced significant cost savings through the economies of scale achieved from the consolidation of requirements and reduction of administrative expenses.

The National Purchasing Institute awarded the DPSM an Achievement in Excellence in Procurement Award in FY 2000 in recognition of accomplishments in innovation, professionalism, productivity, and leadership. It is our intention to maintain this same level of excellence in FY 2001 by using the resources allocated to the procurement program to deliver quality services to each of its constituencies: other County departments, the business community, and the Board of Supervisors.



## ***Funding Adjustments***

*The following funding adjustments from the FY 2000 Revised Budget Plan are necessary to support the FY 2001 program:*

- An increase of \$75,097 due to the implementation of the new Pay for Performance program in FY 2001. The new system links annual pay increases to employee performance.
- An increase of \$42,295 due to the implementation of the Market Pay Study. As a result of the Study, incumbents in job classes that are found to be one grade below the market will be moved to the appropriate grade and receive a 2.0 percent market adjustment. Incumbents in classes found to be two or more grades below the market will be moved to the appropriate grade and receive a 4.0 percent market adjustment. In addition, funding is held in reserve to provide all employees with a 2.5 percent cost-of-living/market adjustment.
- A decrease of \$86,620 in Personnel Services primarily due to the current grade of existing positions as well as a reduction in exempt limited term salary requirements.

## DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

- An increase of \$177,749 in Operating Expenses primarily due to an increase of \$184,813 for Information Technology infrastructure charges based on the agency's historic usage and the Computer Equipment Replacement Fund (CERF) surcharge to provide for the timely replacement of the County's Information Technology infrastructure, partially offset by a decline in office supply expenses.

*The following funding adjustments reflect all approved changes to the FY 2000 Revised Budget Plan since the passage of the FY 2000 Adopted Budget Plan. Included are all adjustments made as part of the FY 1999 Carryover Review and all other approved changes through December 31, 1999.*

- In FY 2000, the County Executive approved a redirection of positions resulting in an increase of 1/1.0 SYE for this agency. This Management Analyst II position is necessary to support the procurement card program. There is no corresponding funding adjustment for this position in FY 2000 as the agency has been directed to absorb all costs associated with this action.
- As part of the FY 1999 Carryover Review, \$19,374 in Personnel Services was added due to an Information Technology position funding enhancement.
- As part of the FY 1999 Carryover Review, \$23,121 in Operating Expenses was added due to unencumbered carryover associated with the Small Business Enterprise Program, \$18,379 in Operating Expenses and \$15,037 in Capital Equipment were added due to unencumbered carryover associated with unexpended Close Management Initiatives (CMI) savings, and \$10,115 in Operating Expenses and \$5,771 in Capital Equipment were added due to encumbered carryover.

### **Cost Center: Agency Management**

**GOAL:** To provide overall management and administrative support services to the agency in an effective and efficient manner. This includes performing the functions of the Purchasing Agent for the Board of Supervisors and the Fairfax County Public School Board, operating the Small and Minority Business Enterprise Program, preparing and managing the budget, supporting contractual services, performing human resource functions, and managing financial functions. To operate the Small Business Enterprise Program by identifying, registering, educating, and assisting small and minority business owners, and to promote the procurement of goods and services from these enterprises in an equally competitive manner.

<b>COST CENTER SUMMARY</b>					
<b>Category</b>	<b>FY 1999 Actual</b>	<b>FY 2000 Adopted Budget Plan</b>	<b>FY 2000 Revised Budget Plan</b>	<b>FY 2001 Advertised Budget Plan</b>	<b>FY 2001 Adopted Budget Plan</b>
Authorized Positions/Staff Years <sup>1</sup>					
Regular	9/ 9	13/ 13	13/ 13	14/ 14	14/ 14
Expenditures:					
Personnel Services	\$360,866	\$536,847	\$421,366	\$590,200	\$604,955
Operating Expenses	58,662	72,085	125,285	95,183	95,183
Capital Equipment	3,101	0	31,205	0	0
<b>Total Expenditures</b>	<b>\$422,629</b>	<b>\$608,932</b>	<b>\$577,856</b>	<b>\$685,383</b>	<b>\$700,138</b>

<sup>1</sup> Position increase is due to the internal transfer of positions associated with a departmental reorganization.

# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT



## Objectives

- To increase the percentage of formal contract actions without protest or legal action from 95.5 percent to 96.6 percent, toward a target of 100 percent.
- To maintain the cost of procuring \$100 worth of goods or services at \$0.52 without a degradation of service.



## Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimate/Actual	FY 2000	FY 2001
<b>Output:</b>					
Formal contractual actions processed <sup>1</sup>	625	540	636 / 415	415	415
Value of PO's processed (\$ in millions) <sup>2</sup>	\$266.2	\$326.7	\$326.7 / \$329.4	\$339.3	\$347.5
<b>Efficiency:</b>					
Cost per formal contractual action approved	NA	\$108	\$93 / \$120	\$114	\$120
Cost per \$100 of goods or services procured	\$0.57	\$0.48	\$0.52 / \$0.48	\$0.52	\$0.52
<b>Service Quality:</b>					
Percent of contractual actions receiving valid formal protest	0.6%	0.2%	0.2% / 0.2%	0.2%	0.2%
Percent of customers indicating satisfaction with service <sup>3</sup>	NA	96%	97% / 93%	97%	95%
<b>Outcome:</b>					
Percent of formal contractual actions awarded without protest	97.3%	96.8%	95.5% / 96.6%	95.5%	96.6%
Percent change in cost to procure \$100 of goods or services	(6.6%)	(15.8%)	8.3% / 0.0%	8.3%	0.0%

<sup>1</sup> Reduction in number of contractual actions in FY 1999 attributed to the following: increase in the formal bidding threshold from \$15,000 to \$30,000 in July 1999 (3-year cycle), increased usage of multi-year contracts, increased efforts to consolidate requirements, and increased usage of cooperative purchasing agreements.

<sup>2</sup> Beginning in FY 1998, actual values include procurement card transactions which are inclusive of limited travel expenditures.

<sup>3</sup> Reduction in percent satisfaction with PO processing in FY 2001 anticipated due to change in structure of customer satisfaction survey instrument and choices available to respondent.

# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

## **Cost Center: Purchasing and Material Management**

**GOAL:** To acquire goods and services for County agencies and Fairfax County Public Schools (FCPS) at an optimum combination of price, quality, and timeliness; to provide central warehouse services of storage, distribution, and supply to County agencies in a timely manner and in accordance with generally accepted professional material management standards; and to redistribute excess property generated by County activities to avoid costs and dispose of surplus property generated by County and Schools in a timely manner, while maximizing return.

<b>COST CENTER SUMMARY</b>					
<b>Category</b>	<b>FY 1999 Actual</b>	<b>FY 2000 Adopted Budget Plan</b>	<b>FY 2000 Revised Budget Plan</b>	<b>FY 2001 Advertised Budget Plan</b>	<b>FY 2001 Adopted Budget Plan</b>
Authorized Positions/Staff Years <sup>1</sup>					
Regular	39/ 39	33/ 33	33/ 33	32/ 32	32/ 32
Expenditures:					
Personnel Services	\$1,487,676	\$1,459,726	\$1,484,726	\$1,397,117	\$1,432,045
Operating Expenses	298,714	284,255	343,910	277,945	277,945
Capital Equipment	22,182	0	604	0	0
<b>Total Expenditures</b>	<b>\$1,808,572</b>	<b>\$1,743,981</b>	<b>\$1,829,240</b>	<b>\$1,675,062</b>	<b>\$1,709,990</b>

<sup>1</sup> Position decrease is due to the internal transfer of positions associated with a departmental reorganization.



## **Objectives**

- To increase the percentage of purchase requisition (PR) requirements completed against a valid contract within 10 days from 80 to 90 percent, toward a target of 98 percent.
- To maintain at or below \$0.110, the cost of achieving \$1 worth of cost avoidance from the redistribution of serviceable excess property and the revenue from the sale of surplus property.



# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT



## Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimate/Actual	FY 2000	FY 2001
<b>Output:</b>					
PRs converted to POs <sup>1</sup>	18,104	38,744	40,000 / 18,562	40,000	18,000
Replacement costs avoided by redistributing property	\$117,709	\$67,290	\$75,000 / \$45,570	\$70,000	\$45,570
Proceeds generated from auction of surplus property (\$ in millions)	\$2.60	\$1.55	\$1.50 / \$1.10	\$1.50	\$1.10
<b>Efficiency:</b>					
PR converted to PO per buyer staff	NA	2,767	2,857 / 1,428	2,857	1,385
Cost per \$1 cost avoidance and/or revenue through property redistribution and/or auction of surplus property	NA	\$0.082	\$0.076 / \$0.097	\$0.105	\$0.108
<b>Service Quality:</b>					
Percent satisfaction with PO processing on customer survey <sup>2</sup>	NA	96%	96% / 91%	96%	95%
Percent of cost per \$1 cost avoidance and revenue from sale of surplus	NA	8.2%	7.6% / 9.7%	10.5%	10.5%
<b>Outcome:</b>					
Percent of requisition requirements completed within 10 days	NA	NA / NA	NA / 85.7%	80.0%	90.0%
Percentage point change in cost per \$1 cost avoidance and revenue from sale of surplus	NA	NA / NA	(0.6) / 1.5	0.8	0.3

<sup>1</sup> FY 1998 Actual, FY 1999 Estimate, and FY 2000 Estimate include purchase order (PO) and small purchase order (SO) documents. FY 1999 Actual and FY 2001 Estimate include purchase order (PO) documents only.

<sup>2</sup> Reduction in percent satisfaction with PO processing in FY 2001 is anticipated due to change in structure of customer satisfaction survey instrument and choices available to respondent.

# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

## Cost Center: Systems and Customer Services

**GOAL:** To provide system management and administration to all County and FCPS users of the mainframe-based *County and Schools Procurement System (CASPS)* necessary to effectively meet their business mission; provide management and technical oversight of the Department's Local Area Network (LAN); provide procurement assistance and Procurement Opportunities List Support registration to the County's vendor/business community; and provide centralized assistance and oversight to the County/FCPS inventory management, procurement, and property accountability/fixed asset program managers.

<b>COST CENTER SUMMARY</b>					
Category	FY 1999 Actual	FY 2000 Adopted Budget Plan	FY 2000 Revised Budget Plan	FY 2001 Advertised Budget Plan	FY 2001 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	11/ 11	12/ 12	13/ 13	13/ 13	13/ 13
Expenditures:					
Personnel Services	\$467,615	\$545,725	\$505,646	\$605,127	\$620,256
Operating Expenses	175,330	294,300	295,724	506,874	506,874
Capital Equipment	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$642,945</b>	<b>\$840,025</b>	<b>\$801,370</b>	<b>\$1,112,001</b>	<b>\$1,127,130</b>



## Objectives

- To accurately track and maintain an inventory accuracy of the County's consumable inventory items of at least 90 percent (American Production and Inventory Control Society [APIC] national standard), toward a target of 98 percent.
- To increase the use of electronic commerce (Electronic Data Interchange, internet ordering, and procurement card) for delivering orders to vendors with a target of delivering more than 80 percent of the orders via electronic commerce and achieving 95 percent of rebates available to the County.
- To maintain a help desk customer satisfaction rate of 95 percent, toward a target of 98 percent satisfaction, and reduce the time to close customer calls by 12 percent, toward a target of a 30 percent reduction in closure time.



## Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimate/Actual	FY 2000	FY 2001
<b>Output:</b>					
Value of consumable inventory (\$ in millions)	\$3.6	\$3.7	\$3.8 / \$3.9	\$3.8	\$3.9
Value of fixed asset inventory (\$ in millions)	NA	\$137.8	NA / \$168.0	\$169.0	\$170.0

# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimate/Actual	FY 2000	FY 2001
Orders (SO,PO) delivered via EDI	NA	NA	NA / 506	6,000	12,000
Percentage of office supply contract orders submitted via the internet	NA	NA	NA / 24%	48%	80%
Value of procurement card purchases (\$ in millions)	NA	\$1.0	NA / \$1.8	\$3.0	\$3.5
Assistance/help desk calls received and processed <sup>1</sup>	2,760	7,000	6,300 / 2,700	5,670	2,100
<b>Efficiency:</b>					
Cost per each \$1 of consumable inventory to track inventory accuracy (with at least 90% accuracy)	NA	\$0.04	NA / \$0.02	\$0.02	\$0.02
Cost per each \$1 of fixed asset inventory to track inventory accuracy (with at least 90% accuracy)	NA	NA	NA / \$0.0006	\$0.0006	\$0.0007
Cost per each \$1 of rebate revenue generated	NA	NA	NA / NA	\$0.34	\$0.21
Average time to close each help desk call answered (hours)	NA	NA	NA / NA	8	7
<b>Service Quality:</b>					
Percent of customers rating consumable inventory program as satisfactory or better	NA	96%	95% / 94%	95%	95%
Percent of customers satisfied with the procurement card program	NA	NA	NA / 97%	98%	98%
Percent of help desk calls closed in one day or less	NA	NA	NA / NA	50%	75%
Percent of customers rating help desk as satisfactory or better	NA	89%	95% / 87%	95%	95%
<b>Outcome:</b>					
Percent of consumable items accurately tracked	98%	97%	97% / 98%	97%	98%
Percent of fixed assets accurately tracked	100%	100%	98% / 100%	98%	98%
Percent of rebates achieved relative to plan	NA	NA	NA / NA	95%	95%
Percent reduction in calls for assistance at help desk <sup>1</sup>	NA	NA	10% / 61%	11%	12%

<sup>1</sup> Help desk position vacant from November 1998 through April 1999, resulting in a significant reduction in calls.